David McGowan, III Executive Director

August 28, 2017

Mr. Stephen Benjamin Director, Standards Division North Carolina Department of Agriculture 1050 Mail Service Center Raleigh, NC 27699-1050

Dear Mr. Benjamin,

As you are aware, Hurricane Harvey made landfall on the Texas coast over the weekend and has caused catastrophic flooding in an area of the country that is home to extensive energy infrastructure, including many of the refineries that process much of the gasoline and other refined products consumed in the Southeastern United States.

As a result of the flooding, many of the refineries from Corpus Christi, TX east to New Orleans, LA have been completely shut-in or have significantly reduced output. Public reports from the <u>Wall Street Journal</u>, <u>Axios</u>, and information contained in the <u>United States Department of Energy (DOE) Situation Reports</u> indicate the significance of this event and potential for substantial impacts to refined product supplies throughout the country.

Industry has asked officials in numerous states (Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina, North Carolina & Tennessee) to work cooperatively in an effort to secure regional waivers of Reid Vapor Pressure (RVP) regulations from the United States Environmental Protection Agency (EPA). These waivers would maximize industry's ability to meet supply demands in the most efficient manner possible. Industry is asking that each individual state also waive any state specific regulations, similar to the requests made in the fall of 2016.

Specifically, the North Carolina Petroleum Council (NCPC) requests that the North Carolina Department of Agriculture & Consumer Services (NCDACS) waive volatility specifications in gasoline pursuant to 02 NCAC 42 .0201(a)(1) and in gasoline/alcohol blends pursuant to 02 NCAC 42 .0201(b)(3) allowing for 11.5# RVP product to be sold in North Carolina prior to September 15th. In addition, we request that NCDACS working closely with the North Carolina Department of Environmental Quality (DEQ) to ask EPA for a regional RVP waiver. Finally, NCPC requests that the State of North Carolina also ask EPA to allow for the co-mingling of Reformulated Blendstock (RFG) with Conventional Blendstock in the states where Conventional Blendstocks are currently prohibited.

We do not anticipate any additional waiver requests at the time but will continue to closely monitor events along the Gulf Coast and keep you informed of any new developments.

Thank you for your assistance and please do not hesitate to contact me with any questions or concerns.

Sincerely,

David McGowan, III Executive Director North Carolina Petroleum Council